GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1488
ANSWERED ON:03.03.2000
SUBSIDY PROVIDED BY GOVERNMENT
ANNA SAHEB M.K. PATIL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have reviewed the present status of subsidies provided by the Union Government and States onvarious items in urban and rural areas, State-wise and year-wise during the last five years;

(b) if so, the details thereof;

(c) whether the Union Government have prepared a policyto phase-out subsidies on non-merit goods over a time frame for controlling the fiscal deficits both at the Centre and State levels;

(d) if so, the details thereof;

(e) if not, the reasons thereofor;

(f) whether the Eleventh Finance Commission has been asked to study the subject; and
(g) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a), (b), (c), (d), (e), (f) and (g): The endeavour of the Central Government has been to rationalise thesystem of subsidies by making it transparent and better targetted, and effecting change in pricesof subsidised item whenever necessary. The Expenditure Reforms Commission set up by the Government has been asked toreview the frame-work of all subsidies, both explicit and implicit, examine the economic rationale for their continuance and make recommendations for making subsidies transparent and suggest measures for maximising their impact on the target population at minimum cost.